

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

CONTINENTAL AIRLINES, INC.,

Plaintiff/Counter-Defendant,

v.

**AIR LINE PILOTS ASSOCIATION,
INTERNATIONAL,**

Defendant/Counter-Plaintiff.

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CIVIL ACTION NO. H-07-CV-1349

THIRD SUPPELMENTAL JOINT STATUS REPORT

To assure continuing compliance with the Court's Conference Memorandum entered April 22, 2008 [Docket No. 33], the Plaintiff/Counter-Defendant Continental Airlines, Inc. ("Continental") and Defendant/Counter-Plaintiff Air Line Pilots Association, International ("ALPA") submit this Third Supplemental Joint Status Report in follow up to their Joint Status Report filed June 2, 2009 [Docket No. 35], their Supplemental Joint Status Report filed June 12, 2009 [Docket No. 36], and their Second Supplemental Joint Status Report [Docket No. 37]

Continental is in the final phase of implementing the parties' agreement reinstating Captain McWhirter to inactive LTD status and providing funding from the LTD trust fund. Upon implementation of their agreement, the parties expect to stipulate jointly to the dismissal of their respective claims under Rule 41(a)(1)(A)(ii), Fed. R. Civ. P.

Respectfully submitted,

/s/ Matthew E. Babcock
Matthew E. Babcock (*pro hac vice*)
Elizabeth Ginsburg
AIR LINE PILOTS
ASSOCIATION, INT'L
Legal Department
535 Herndon Pkwy
Herndon, VA 20170
matthew.babcock@alpa.org
(703) 481-2427
(703) 481-2478 (fax)

Patrick M. Flynn
PATRICK M. FLYNN, P.C.
1225 North Loop West, Suite 1000
Houston, TX 77008-4722
pat@pmfpc.com
(713) 861-6163
(713) 222-9114 (facsimile)

**ATTORNEYS FOR
DEFENDANT/COUNTER-PLAINTIFF
AIR LINE PILOTS ASSOCIATION, INT'L**

Dated: August 3, 2009

/s/ Teresa S. Valderrama
Teresa S. Valderrama
Texas Bar No. 20422500
JACKSON LEWIS LLP
Wedge International Tower
1415 Louisiana, Suite 3325
Houston, TX 77002
ValderrT@JacksonLewis.com
(713) 568-7868
(713) 650-0405 (fax)

**ATTORNEYS FOR
PLAINTIFF/COUNTER-DEFENDANT
CONTINENTAL AIRLINES, INC.**

CERTIFICATE OF SERVICE

I certify that this **Third Supplemental Joint Status Report** is being e-filed on August 3, 2009 in compliance with the protocol in place for the United States District Court, Southern District of Texas (Houston Division), with service made on all parties electronically per that protocol.

/s/ Teresa Valderrama
Attorney for Continental Airlines, Inc.